

Message Text

CONFIDENTIAL

PAGE 01 ANKARA 04732 171336Z

50

ACTION EUR-25

INFO OCT-01 ISO-00 NEA-14 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 EB-11 FEAE-00 FPC-01 H-03

INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01

SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00 PA-04 PRS-01

USIA-15 DRC-01 /186 W

----- 051737

R 171300Z JUN 74

FM AMEMBASSY ANKARA

TO SECSTATE WASHDC 4625

INFO AMCONSUL ADANA

AMCONSUL ISTANBUL

AMCONSUL IZMIR

C O N F I D E N T I A L ANKARA 4732

E.O. 11652: GDS

TAGS: EGEN, ENRG, TU

SUBJECT: MOBIL RESUMES IMPORTING CRUDE

REF: ANKARA 4453

SUMMARY: MOBIL (AND PRESUMABLY BP) RESUMING IMPORT OF CRUDE, AND MOBIL EXPECTS TO BRING IN OVER 100,000 TONS IN NEXT WEEK. THIS IS BEING DONE ON PROVISIONAL BASIS ON PROMISE MINISTER OF ENERGY CAHIT KAYRA THAT INCREASED MARGINS FOR ATAS REFINERY AND HIGHER PRICES FOR IMPORTED CRUDE WOULD BE GRANTED "AS SOON AS POSSIBLE." END SUMMARY.

1. MARC CASANOVA, HEAD OF MOBIL COMPANIES IN TURKEY, WAS IN U.S. FROM ABOUT JUNE 8-12, AMONG OTHER REASONS TO DISCUSS MOBIL'S PROBLEMS IN TURKEY, AND ON MORNING JUNE 15 HE HAD LENGTHY DISCUSSION WITH KAYRA8 SESSION, ACCORDING TO CASANOVA BEIEFING OF EMBOFF, WAS TENSE AT FIRST, WHILE KAYRA WAITED FOR CASANOVA TO BACK DOWN ON PRICE OF IMPORTED CRUDE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ANKARA 04732 171336Z

CASANOVA GAVE KAYRA COPY OF ESSENCE OF ARAMCO-SAUDI

60/40 AGREEMENT, AND KAYRA CONFIRMED RETROACTIVITY OF ANY HIGHER MARGINS AND CRUDE PRICES TO JANUARY 1. KAYRA AGREED MOBIL'S FISCAL DATA ON ATAS PROVED NEED TO HIGHER MARGINS WHICH WOULD BE PERMITTED AS SOON AS POSSIBLE.

2. ONLY WHEN CASANOVA MENTIONED THAT MOBIL WAS REASSESSING SCIENTIFIC INFORMATION THAT MIGHT LEAD TO RENEWED EXPLORATION BY MOBIL BOTH ON TURKISH LAND MASS AND ON TURKISH CONTINENTAL SHELF DID KAYRA BEGIN TO RELAX AND ALSO ADMIT MOBIL'S JUSTIFICATION FOR HIGHER CRUDE PRICES. HOWEVER, THERE WAS NO DISCUSSION OF AMOUNT. AS CASANOVA DID NOT BUDGE, HE IS ASSUMING THAT KAYRA WILL GO ALONG WITH MOBIL'S REQUEST FOR \$10.89 PER BARREL DELIVERED AT MERSIN (EQUATES TO STANDARD \$9.50 AT PERSIAN GULF). CASANOVA COULD NOT BE SPECIFIC ABOUT TIMING.

3. BP IS SEEING KAYRA ON JUNE 17.

4. IN PRESS STATEMENT ON JUNE 15, PRIME MINISTER ECEVIT WAS GENERALLY CIRCUMSPECT ON MOBIL AND BP, STATING TALKS WERE CONTINUING WITH COMPANIES AND CONSTRUCTIVE RESULT WAS POSSIBLE NEXT WEEK. HE ALSO SAID THAT KAYRA HAD SUFFICIENT POWER TO PROTECT TURKEY AND TURKISH NATIONAL INTEREST.

5. COMMENT: APPEARS THAT GOVERNMENT HAS DETERMINED IT CANNOT BUY CHEAPER OIL ON LONG-TERM CONTRACT EITHER FROM IRAQ OR SAUDI ARABIA, AND NOW IS LOOKING FOR WAYS TO BACK DOWN WITHOUT DOING ITSELF ANY POLITICAL DAMAGE. BY RESUMING IMPORTS MOBIL SHOWS ITS GOODWILL AND ALSO AVOIDED CONFRONTATION WITH GOVERNMENT UNDER ARTICLE 132 OF PETROLEUM LAW (REFTEL). THIS WOULD HAVE BEEN POSSIBLE ON JUNE 21. CASANOVA IS OPTIMISTIC THAT KAYRA WILL MEET MOBIL'S PRICE, AND ACCORDING TO BRITISH EMBASSY BP COULD GO ALONG ON FOREGOING PROVISIONAL BASIS TO ABOUT MID-JULY. MOBIL DOES INTEND TO DO SOME ADDITIONAL EXPLORING BUT ONLY AFTER GOVERNMENT AGREES TO HIGHER PRICES AND MARGINS, AND WILL MOST LIKELY FIRST BEGIN IN DIYARBAKIR REGION; IT WILL DO NO EXPLORING ON AEGEAN CONTINENTAL SHELF UNTIL TURKISH-GREEK DISPUTE THERE IS SETTLED. MACOMBER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, IMPORTS, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 17 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: WorrelSW
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ANKARA04732
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740157-0166
From: ANKARA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740640/aaaabimb.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: ANKARA 4453
Review Action: RELEASED, APPROVED
Review Authority: WorrelSW
Review Comment: n/a
Review Content Flags:
Review Date: 27 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 AUG 2002 by elyme>; APPROVED <19 FEB 2003 by WorrelSW>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MOBIL RESUMES IMPORTING CRUDE
TAGS: EGEN, ENRG, TU, MOBIL OIL CO, BRITISH PETROLEUM, (CASANOVA, MARC)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005